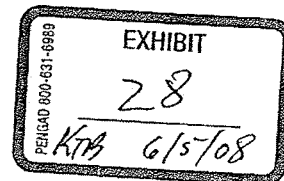


EXHIBIT O

Jon Ehlen



From: Jon Ehlen
Sent: 7/24/2003 6:56:28 PM
To: ashraf.ashraf@bluesalon.com;
Cc: John Goodman John_Goodman@gap.com ; Jim Bell Jim_Bell@gap.com ; flarsen@amp-partners.com flarsen@amp-partners.com ;
Bcc:
Subject: RE: The international Sales Program (ISP)

Dear Ashraf,

It was also a pleasure to meet you and I look forward to working with you going forward. The following is in response to your questions below.

- Prices will remain as they are for Spring 2003. We are committed to keeping our prices as low as possible and we cannot lower them any more. In our San Francisco business meeting, François stated that Old Navy prices were the only issue. We will continue to review these prices and our price structure.
- ISP would like to sell perfumes and bags to you but at this time we do not have these classes of products registered in your countries. Our legal team has advised us that it is very costly and time consuming to obtain registration. Unfortunately this is not a priority at this time.
- You are correct in that Lebanon issues for apparel class have been resolved. Currently, we have approved five ISP locations (2 Qatar, 1 Saudi Arabia, 1 Kuwait, 1 Bahrain). Before approving additional locations, we would like to visit and review most or all of the proposed five. At this time we will not be approving additional locations. However, we will continue to review your proposals quarterly.
- We have not identified an individual to relocate to Doha and run your ISP business. We will continue to try and identify such an individual.

Best Regards,

Jon

-----Original Message-----

From: ashraf [mailto:ashraf@bluesalon.com]
Sent: Wednesday, July 23, 2003 9:03 AM
To: Jon Ehlen
Cc: John Goodman; Jim Bell; flarsen@amp-partners.com
Subject: The international Sales Program (ISP)

Dear Mr. Ehlen,

It was wonderful meeting with you during our recent trip to San Francisco and hope that things are going well with you. I am writing this letter in order to reiterate some points of discussion that we have had and is eagerly waiting for your response in order to proceed with our projects.

- In our meetings we have requested a price decrease for products sold to us to be 66% of the retail prices in the US, have you decided on that?
- As for the issue raised with regards to the brand name registration for perfume and cosmetics, how important is this issue for you, and is there anything that we could possibly do from our side? This goes also for the school bags and handbags.
- With regards to Lebanon we have been notified that the legal issue with regards to brand name registration is finally resolved, all we need now is for you to confirm if we can start with the ISP there.
- In our discussion, we have requested if you would be able to recommend someone for us who is willing to relocate to run our ISP business here in Doha, we are still searching for the right person for that position

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